Michigan Department of Community Health	TITLE / ISSUE :	
Outpatient Prospective Payment System (OPPS) Project Decisions Documentation	Type of Bill Issues – Calling Claims to the EasyGrouper Software	
	POINT PERSON	DATE INITIATED/REVISED
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Issue Description:

In order to group, price & pay claims appropriately, MDCH needs to determine which outpatient claims will be called into the EasyGrouper Software – either by Provider Type (40) or by Type of Bill.   MDCH does not currently edit the type of bill field for validity or accuracy – other than using the 3rd digit (frequency) to determine if a claim is an original invoice, an adjustment or a void claim.   Under Medicare's OPPS, only certain types of bills are included and under the proposed OPPS, MDCH intends to include other types of bills that Medicare currently does not (ESRD, Critical Access Hospitals, etc). Furthermore, in the OCE program, Type of Bill determines whether an individual OCE edit will set or be bypassed.

Research and Discussions Summary

MDCH has completed systems work and testing of different types of bills seen on outpatient claims to determine the impact of sending invalid and inappropriate types of bills through the EasyGrouper OPPS software.   For claims/services/types of bills that are not typically included in the Medicare OPPS methodology, systems is working on a way to still call these to the OPPS software to edit and group certain claim lines that can be paid under OPPS/fee schedules and also pay/price off of the current procedure reference file for those lines that are considered 'wrap arounds'. MDCH completed a review of the Type of Bills received on OPH/PT 40 claims over the past 6 months to validate the volume and frequency of the different Types of Bills currently being billed for PT40/OPH.

Conclusion

The following Types of Bills will be considered valid for OPH/PT40 under MDCH"s proposed OPPS: 13x, 14x, 34x, 72x, 74x, 75x or 85x. A systems edit will be implemented in current processing as informational to providers identifying claims with invalid Types of Bills for OPH. With the implementation of MDCH's proposed OPPS, the edit will change to a reject edit for any PT40/OPH Type of Bill other than those listed above.   With this editing in place, all PT40 claims will then be sent to the EasyGrouper software for editing, grouping and pricing to maintain consistency in processing all outpatient claims. For Critical Access Hospital TOB (85x) – systems will need to crosswalk the 85x TOB to a 13x TOB to edit, group and price the claim through the EasyGrouper software. Systems work still needs to be completed for Dialysis (72x) claims to determine editing/grouping/pricing issues for this non-OPPS TOB.

Action Required (systems, publications, etc.)

A maintenance request was submitted to create an informational edit for invalid type of bill for PT40 claims to be implemented in current claims processing logic before moving to MDCH's OPPS. Edit 638 – "Invalid Type of Bill" was implemented effective PC 20 - 5/17/06 - as an informational edit only (fatal level 6).   Once the OPPS is implemented, the edit will become a fatal level 2 (rejection) to avoid having invalid Type of Bills processing through the OPPS software. Programming logic will be updated to call all PT40/OPH claims into the EasyGrouper software after the Type of Bill has been validated.